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APL/GWF Slot Exchange Agreement
FMC Agreement No. 011725
Original Title Page



AGREEMENT NAME: APL/GWF Slot Exchange Agreement

FMC NUMBER:

CLASSIFICATION: Space Charter and Sailing Agreement

EXPIRATION DATE: See Article 8

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ARTICLE 1. **NAME OF AGREEMENT**

This Agreement shall be known as the "APL/GWF Slot Exchange Agreement"
(hereinafter the "Agreement").

ARTICLE 2. **PURPOSE OF THE AGREEMENT**

The purpose of this Agreement is to permit the Parties to improve the efficiency of fleet operations and to maximize space utilization with regard to the trade covered herein so as to offer efficient, competitive services to the shipping public.

ARTICLE 3. **PARTIES**

The Parties hereto are:

- (1) (a) APL Co. Pte. Ltd.

456 Alexandra Road, #06-00 NOL Building
Singapore 119962, Republic of Singapore

- (b) American President Lines, Ltd.

1111 Broadway
Oakland, California 94607

(APL Co. Pte. Ltd. and American President Lines, Ltd. are hereinafter collectively referred to as "APL"),

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(2) Great White Fleet (U.S.) Ltd.
250 East Fifth Street
Cincinnati OH 45202
FED MARITIME COMM
BUR OF ECON & AGMT ANAL

(hereinafter referred to as "GWF")

ARTICLE 4. GEOGRAPHIC SCOPE

This Agreement covers the trade between ports on the East Coast and Gulf Coast of the United States, and inland and coastal points in the United States served via such ports, on the one hand, and ports in Guatemala, Honduras, El Salvador, Nicaragua and Costa Rica, and inland and coastal points in the region from Mexico through Panama served via such ports, on the other hand (hereinafter the "Trade").

ARTICLE 5. AGREEMENT AUTHORITY

1. The Parties may discuss and agree upon the terms and conditions for exchanging, selling and/or allocating space to each other on the vessels subject to this Agreement. Initially, each Party will be allotted approximately 100 TEUs per sailing on the other party's vessel. Such allotments may be decreased or increased up to approximately 250 TEUs per sailing as the Parties may from time to time agree. The Parties may further discuss and agree upon all matters relating to the deployment and utilization of vessels subject to this Agreement, including, without limitation, the addition and withdrawal of vessels and vessel strings, substitution of vessels, sailing schedules and service frequency, ports to be served and port rotations, and type and capacity of vessels to be utilized. The foregoing authority is limited to a maximum of two vessels, one to be provided by each Party, having a capacity not in excess of 950 TEUs per vessel.

2. The Parties are authorized to discuss and agree upon any and all aspects of the deployment and utilization of feeder vessel operating between foreign ports in connection with

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the vessel strings referred to in subparagraph 1, above, including without limitation the deployment, addition, withdrawal and substitution of feeder vessels, feeder vessel sailing schedules and service frequency, ports to be served by feeder vessels and port rotation, the number, type and capacity of feeder vessels, the allocation of capacity on feeder vessels, and the sale or exchange of feeder slots between them.

3. The Parties may discuss and agree upon the use of terminal facilities in the Trade, including with respect to whether to jointly or individually negotiate and enter into leases, subleases or assignments of such facilities, contracting for stevedoring services, terminal and other related ocean and shoreside services and supplies with each other or, as agreed, individually or jointly with third parties in the Trade. Nothing contained herein, however, shall authorize the parties jointly to operate a marine terminal in the United States.

4. The Parties may discuss and agree upon documentation, data and computer systems, and communications systems, including joint negotiations, leasing or contracting related thereto.

5. The Parties may discuss and agree upon operational and administrative matters and related issues, including, but not limited to, operation procedures, bills of lading, terminal operations, stowage planning, schedule adjustments, recordkeeping, responsibility for loss or damage, the interchange of information and data and the respective rights, liabilities and indemnities of each Party with respect to any matter relating to this Agreement, including matters such as failure to perform, insurance, indemnification, consequences for delays, port omission, port substitution, force majeure, and hazardous and dangerous cargoes.

6. The Parties may discuss and agree upon the terms and conditions by which the Parties, directly or indirectly, interchange, lease, sublease, return, and may otherwise cooperate between themselves in connection with containers, chassis and other equipment.

7. Each Party shall retain its own separate identity and shall have separate sales, pricing and marketing functions. Each Party will issue its own bills of lading, handle its own claims and shall be fully responsible for the expenses, husbandry and operation of its owned or chartered vessel(s) operated in the Trade, including drydocking, special survey and future capital improvements.

8. Each Party shall be fully responsible for any and all terminal costs attributable to cargo moved on its own bill of lading.

9. The Parties are authorized to make and enter into implementing and interstitial arrangements, and oral and written communications, understandings, and procedures within the scope of this Agreement in order to carry out the authorities and purpose hereof.

10. Pursuant to 46 C.F.R. 535.407, any further non-exempt agreement between the Parties cannot take effect unless filed and effective under the Shipping Act of 1984, except to the extent that such agreement concerns routine operational or administrative matters.

11. The Parties are authorized to discuss and agree on a common position on conference membership in the Trade. Unless authorized by a conference or rate agreement filed pursuant to the Shipping Act of 1984, the Parties will not discuss or agree on rates to be charged shippers, including the terms of service contracts.

12. (a) No Party shall assign, space charter, or sub-space charter any slots it has received from the other Party on such other Party's vessels to any third party in the Trade, without obtaining prior written consent from the other Party. (b) The Party assigning, chartering

or subchartering such space to a third party will prohibit the third party from re-chartering or otherwise allowing another party to use that space. (c) A Party assigning, chartering or subchartering such space to a third party will do so at a price no less than the effective price for space sold between the Parties, as may be agreed by the Parties from time to time.

ARTICLE 6. ADMINISTRATION AND DELEGATION OF AUTHORITY

1. This Agreement shall be administered and implemented by such meetings, decisions, memoranda, and communications between the Parties as are appropriate to effectuate the purposes of this Agreement.

2. The following individuals shall have the authority to file this Agreement, any modification to this Agreement, and associated materials with the Federal Maritime Commission: (1) any authorized officer of a Party, and (b) legal counsel for a Party.

3. Any amendment to this Agreement shall, to the extent required, be subject to the filing procedures of the U.S. Shipping Act of 1984.

ARTICLE 7. MEMBERSHIP AND VOTING

1. Membership in this Agreement is limited to the Parties hereto, except that additional parties may be admitted by unanimous consent of the Parties and by amendment of the Agreement pursuant to the Shipping Act of 1984.

2. Decisions under this Agreement shall be made by unanimous consent of the Parties.

ARTICLE 8. DURATION AND TERMINATION

1. This Agreement will come into effect on the date it becomes effective under the Shipping Act of 1984 or the date that any other governmental approvals as may be required have been obtained, whichever date is later.

2. Following its effective date, the Agreement will remain in effect until terminated by unanimous agreement of the Parties; provided that either Party may terminate the Agreement on 90 days notice to the other Party. Notwithstanding the foregoing, the Parties may agree on provisions allowing earlier termination in the event of a change in ownership of a Party, the dissolution, bankruptcy or insolvency of a Party, or a similar occurrence.

3. The Parties will promptly notify the Federal Maritime Commission as well as any other relevant governmental authorities of any termination of, or withdrawal from, this Agreement.

4. Any termination or withdrawal hereunder shall be without prejudice to the Parties' respective rights and obligations to each another as of the date of termination or withdrawal.

ARTICLE 9. FORCE MAJEURE

1. No Party shall be deemed responsible with respect to its failure to perform any term or condition of this Agreement if such failure is due to an event beyond its reasonable control, such as, but not limited to: war or other hostilities or war-like or belligerent acts; piracy; riots or other civil disturbances; acts of God; blockade or other interdiction or prohibition of or restriction on commerce or trading; governmental action including but not limited to quarantine

or similar regulations or restrictions; strikes, lock-outs or other labor troubles whether partial or general and whether or not involving employees of any Party; shortage, absence or obstacles of labor or facilities for loading, discharge, delivery or other handling of the goods; epidemics of disease; unforeseeable breakdown or latent defect in the vessel's hull, equipment or machinery; shallow water, landslide or other obstacles in navigation or haulage; and unusual severe weather.

2. A Party claiming an event beyond its reasonable control shall exercise reasonable endeavors to remedy the consequences of such event. Upon the termination of such event causing a Party's failure to perform its obligations under this Agreement, such Party shall as soon as possible resume its performance of its obligations according to the terms and conditions of this Agreement. If such an event has continued for more than 60 days and has not terminated, the party which has not failed to perform may terminate this Agreement by notice to the other Party effective immediately.

ARTICLE 10. **INSURANCE**

For the duration of this Agreement, each Party undertakes to maintain valid hull and machinery, war risk, at its current level, and P&I Insurance for all conventional P&I risks with a club being a member of the Group of International P&I clubs. Each Party will instruct its P&I club to notify the other parties hereto without delay in the event the terms or conditions of the cover are terminated or materially amended.

ARTICLE 11. **NOTICES**

Any correspondence or notices hereunder shall be made by courier service or registered mail, or in the event expeditious notice is required - by fax or e-mail, confirmed by courier or registered mail, to the following addresses:

APL

APL Co. Pte. Ltd.
456 Alexandra Road
#06-00 NOL Building
Singapore
Attn: Line Department
Fax: +65 371 6410

GWF

Great White Fleet (U.S.) Ltd.
250 East Fifth Street
Cincinnati OH 45202
Attn: Doug Clark
Fax: 513-564-2945

ARTICLE 12. **GOVERNING LAW AND ARBITRATION**

1. This Agreement shall be governed by and construed exclusively in accordance with the laws of the State of New York and the general maritime law of the United States. All disputes in connection with this Agreement, which cannot be resolved amicably, shall be

resolved by arbitration in New York, New York, under the rules of the Society of Maritime Arbitrators, Inc. before a panel of three arbitrators, one appointed by each Party and a third to be appointed by the arbitrators appointed by the Parties."

2. Nothing in this Article shall relieve any Party of its obligations to comply with the Shipping Act of 1984.

ARTICLE 13. **AMENDMENT**

Any modification or amendment of this Agreement must be in writing and signed by all Parties.

ARTICLE 14. **NO AGENCY OR PARTNERSHIP**

Nothing in this Agreement shall give rise to, or be construed as constituting, a partnership for any purpose or extent. No Party shall be considered an agent of any other Party unless expressly stated or constituted as such by the terms of an agreement among the Parties.

ARTICLE 15. **ASSIGNMENT**

No Party shall be entitled to assign or transfer its rights or obligations under this Agreement, except with the other Party's prior written consent.

ARTICLE 16. **SEVERABILITY**

Should any term or provision in this Agreement be held invalid, illegal or unenforceable, the remainder of this Agreement, and the application of such term or provision to persons or circumstances other than those as to which it is invalid, illegal or unenforceable, shall not be

affected thereby; and each term or provision of this Agreement shall be valid and enforceable to the full extent permitted by law; provided, that if such invalidity, illegality or unenforceability affects the performance of one Party and not both equally, the Party deprived of the full performance of the other may terminate this Agreement by notice effective immediately.

ARTICLE 17. **LANGUAGE**

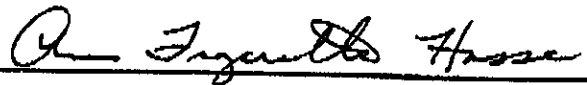
Unless otherwise agreed, all notices, communications or other writings made in connection with this Agreement will be in the English language.

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SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the 22 day of September, 2000.

APL CO. PTE. LTD.


Name: Ann Fingarette Hasse
Date: September 22, 2000

AMERICAN PRESIDENT LINES, LTD.


Name: Douglas R. Cannon
Date: September 22, 2000

GREAT WHITE FLEET, (U.S.) LTD.

Name:

Date:

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SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly
authorized representatives as of the 21st day of September, 2000.

APL CO. PTE. LTD.

Name:

Date:

AMERICAN PRESIDENT LINES, LTD.

Name:

Date:

GREAT WHITE FLEET, (U.S.) LTD.

Wade S. Hooker, Jr.

Name: Wade S. Hooker, Jr.
Attorney-in-Fact

Date: September 21, 2000

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